GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:376
ANSWERED ON:25.02.2016
Audit of DIAL and MIAL
Udhayakumar Shri M.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether as Joint Venture partners in Delhi International Airport Limited (DIAL) and Mumbai International Airport Limited (MIAL) the Airports Authority of India (AAI) has asked for an audit of the books of account of the two airport operators DIAL and MIAL by the Comptroller & Auditor General of India (CAG), if so, the details thereof;

(b) whether the AAI has invoked its right under Article 11.3 of the operations management & development agreement signed with the copartners in both DIAL and MIAL to assign the task of auditing the books to its nominee CAG, if so, the details thereof;

(c) whether DIAL and MIAL have both contested AAI"s argument for appointing CAG as its representative to audit the books and accounts of DIAL and MIAL; and

(d) if so, the details thereof and the response of the Government thereto?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) to (b): The clause 11.3 of Operation, Management and Development Agreement (OMDA) stipulates that Airport Authority of India (AAI) and its representative shall be permitted to inspect at any reasonable time the books, records and other material kept by or on behalf of the Joint Venture Company (JVC) in order to check or audit any information including calculation of revenue (supplied to AAI under this agreement). In terms of above mentioned clause, AAI has appointed Comptroller & Auditor General of India (C&AG) as its representative to scrutinize the books of accounts of Delhi International Airport Private Limited (DIAL)
and Mumbai International Airport Private Limited (MIAL) to ensure that due revenue share is accruing to AAI.

(c) to (d): DIAL and MIAL has expressed their reservation that the right of CAG to conduct Audit are limited to the Accounts of the Union and of the State and of any other Authority or body as may be prescribed by or under any law and so they cannot carry on revenue audit of DIAL and MIAL. However, AAI has stated that AAI is the Auditee and audit is
being made of AAI account. The C&AG in course of audit requires to understand and verify all the revenue stream of AAI which includes the stream of revenue from DIAL and MIAL and accordingly, requires the presentation of all the records related to accrual of revenue from
different source at Delhi and Mumbai airports. So, AAI has written to DIAL/MIAL to provide requisite documents required by AAI/CAG to complete the audit of AAI including revenue generated from JVCs..;